

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7433

BILL NUMBER: HB 1403

NOTE PREPARED: Jan 26, 2015

BILL AMENDED:

SUBJECT: Regional Cities.

FIRST AUTHOR: Rep. Torr

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Regional City Fund to provide grants and loans to regional development authorities. It provides that the Indiana Economic Development Corporation administers the fund. It provides that a city or town that is eligible to become a second class city may become a member of a regional development authority (RDA). It provides that a county, city, or town that is a member of an RDA is required to transfer money to the RDA only if the RDA issued a debt obligation or entered into a lease before July 1, 2015, that has not been paid in full.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Indiana Economic Development Corporation (IEDC):* The bill establishes the Indiana Regional City Fund, which is a nonreverting fund to be administered by the IEDC. Money in the fund is to be used by the IEDC to make grants or loans to RDAs for economic development projects. Money in the fund may be used to cover any administrative expenses incurred by the IEDC in carrying out the requirements of the bill. The bill does not make an appropriation to the fund.

Under the program, the IEDC must form a Strategic Review Committee to review applications submitted under the bill. The IEDC may invite employees of state agencies to sit on the committee, but those employees may not receive compensation for their service. The board of the IEDC must submit an annual report on development authorities that receive a grant or loan from the fund to the Legislative Council.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary* - The bill allows a city or town that is eligible to become a second class city to become a member of an RDA. Currently, only counties and second class cities can establish RDAs. The bill also establishes that a member of an RDA is required to transfer money to the RDA only if it issued a debt obligation or entered into a lease before July 1, 2015, that has not been paid in full.

State Agencies Affected: Indiana Economic Development Corporation.

Local Agencies Affected: Counties, cities and towns.

Information Sources:

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